WAYS OF GIVING

There are many ways of giving to a capital campaign that may be advantageous to the donor. In short, any gift that can be "easily converted" to cash can be accepted. Please contact your qualified tax accountant or certified financial planner for advice and counsel.

Your Gift	Your Goal	Making a Gift	The Benefits	Minimums
Outright gift by cash, check, credit card	Make a quick, easy and immediate gift	Usually giving out of income over the pledge period of the campaign in monthly, quarterly, annual or one-time installments	• Current year income tax deduction possibility • Property no longer in estate	None
Gift of Appreciated Securities	Avoid capital gain tax (consult your tax advisor)	Contact your broker; contribute appreciated stock or securities held for more than one year	• Current year income tax deduction possibility • May avoid capital gains tax	None
Earnings from Investments	Make easy and ongoing gifts	Contact the issuer of the investment and ask to have income distributions sent directly to your church	Current year income tax deduction at time of gift possibility	None
Gift of Appreciated Real Estate	Make a gift of real property no longer needed and generate a possible income deduction	Donate the property to the church	• Current year income tax deduction possibility • May reduce or eliminate capital gains tax	None
Gift of Life Insurance	Assign Life Insurance policy with cash value that is no longer needed for family needs	Transfer ownership of unneeded policy for current year tax deduction (consult your tax advisor)	May receive current year income tax deduction	None
Qualified Charitable Distribution from IRA	Avoid taxation on assets held in traditional IRAs	See next page*	See next page*	Maximum gift is $100,000 per person annually. The limit applies separately to each tax payer.

Qualified Charitable Distribution from IRA (consult IRS Publication 590B)

Individuals who are at least age 70½ are generally required to begin receiving "required minimum distributions" (or "RMDs") from their traditional IRAs. RMDs are taxable to the IRA owner. The IRA Charitable Rollover allows individuals to request the direct transfer of funds from their IRAs to qualified charities ("qualified charitable distribution" or "QCD"). A qualified charitable distribution will count against an individual's RMD for a given year.

For example, if 75-year-old Mary's annual RMD from her IRA is $15,000, Mary can request that her IRA administrator make a qualified charitable distribution of $15,000 to her favorite charity or charities. The $15,000 is not taxable to Mary and it is not deductible by Mary as a charitable contribution. The distribution will be used to fulfill Mary's RMD.

In order to be a Qualified Charitable Distribution, there are a few requirements and limitations:

- The IRA owner must be at least age 70½ on the date of the distribution.
- Distributions can only be made from traditional IRAs. Charitable distributions from 403(b) plans, 401(k) plans, pension plans, and other retirement plans are ineligible for the tax-free treatment.
- The amount that can be excluded from an IRA owner's income is limited to $100,000 per year. Amounts exceeding this amount are included in income as any other distribution.
- Distributions from an IRA must be made directly from an IRA administrator to a public charity that is not a supporting organization.
- Donors cannot receive any goods or services in return for a qualified charitable distribution from an IRA.
- Donors must obtain written substantiation of each IRA qualified charitable distribution from each recipient charity.

Because the IRA Qualified Charitable Distribution avoids federal taxable income, but does not produce a taxable deduction, it does not reduce the total taxes payable for all taxpayers. Individuals likely to benefit from this legislation are:

- Those who do not itemize income tax deductions eliminate the taxable income from their RMDs, without losing any portion of the standard deduction.
- Donors who would not itemize if it were not for their charitable gifts may no longer need to do so if they fund their gifts from their IRAs.
- Donors who have large charitable deductions carried over from prior years may benefit by making current year gifts from their IRA, as will high income donors subject to the Pease limitation on itemized deductions.
- Donors who live in states that do not provide a deduction for charitable gifts are likely to save state taxes by utilizing a QCD to make their charitable gifts. Using a QCD for charitable giving may be particularly attractive to taxpayers residing in Indiana, Massachusetts, and Ohio - states that tax retirement distributions but do not allow itemized deductions. Residents of New Jersey and Michigan (which cap the amount of retirement distributions subject to state income tax) may enjoy a partial benefit. Always check with your tax advisor to verify the rules that apply in your situation.
- For individuals who benefit from this legislative provision, the IRA Qualified Charitable Distribution can allow them to consider larger gifts without disadvantaging their personal financial situation. We believe it is worthwhile for all ministries to understand the opportunities provided by this tax provision, and to be careful to note the differences between gifts received directly from a donor's IRA and other (deductible) charitable gifts.

Disciples Church Extension Fund does not render legal, tax or other professional advisory services. Advice from an attorney and other professional advisors should be sought when considering charitable giving.